

Reduction of food loss and waste

Global food loss and waste has risen to nearly 1.3 billion tons annually^[1]. This figure represents one-third of all the food produced for consumption in the world. This food loss and waste occurs throughout the supply chain, from the farm to the dinner table. Food resources are limited. At the same time, the global population is growing and demand for food is expected to rise as well. In this context, reduction of food loss and waste is a critical issue.

The Ajinomoto Group aims to reduce food loss and waste through the product lifecycle, from the acceptance of raw materials to customer use and disposal. We will accomplish this effort by working closely with our suppliers and consumers.

[1] Source: Global Food Losses and Food Waste, 2011; Food Agricultural Organization

Specific examples

- Efficient use of materials
- Consumer edification (sustainable consumption, etc.)
- Waste reduction in the distribution process

Related opportunities and risks (○ Opportunity ● Risk)

- Cost reduction through efforts to improve yield in the manufacturing process, reduce product returns and waste
- Damage to corporate value due to delays in addressing food loss and waste

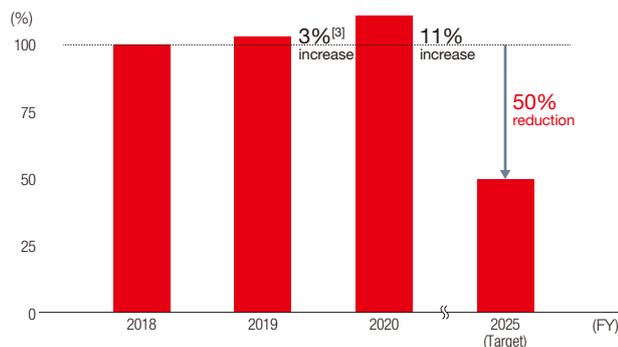
Key initiatives by the Ajinomoto Group

- Using raw materials in manufacturing process without waste
- Upgrading, optimizing supply chain management using digital technology
- Reducing product returns and waste by extending product best-before dates, etc.
- Reducing food loss and waste during product use by consumers
- Proposing eco-friendly lifestyles for enjoying food without leftovers

Related SDGs



Food loss and waste reduction rate per production volume unit^[2] (vs. FY2018)



[2] From the acceptance of raw materials to delivery to customers

[3] Correction has been made as a result of a review of totals.

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Contribution to reducing food loss and waste

Performance

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Food loss and waste: definition and scope

The Ajinomoto Group defines food loss and waste as food (edible portions) that is treated or disposed of in waste water treatment, landfill, or incineration. This definition excludes food ultimately used for feed or fertilizer. The major food loss and waste categories generated by the Group are as follows:

- Raw materials and materials in process: Disposal due to product revisions, production item changes, expired use-by dates, production incidents, etc.
- Products: Expired sales time limit caused by product revisions or inaccurate demand forecasting, product returns due to erroneous shipment, goods damaged at warehouse or at the time of delivery, disposal of sample items
- Loss due to standard factory operations: Waste generated by standard operations, including line cleaning to switch products and sample inspections

The Group produced 15,138 tons of food waste in fiscal 2020, and ratio by area is shown below.

Food loss and waste by area^[1] (Fiscal 2020)



Food loss and waste reduction targets

The Ajinomoto Group is committed to a long-term vision to halve food loss and waste generated throughout the entire product lifecycle by fiscal 2050 as compared to fiscal 2018. Our first target is to reduce food loss and waste between the acceptance of raw materials and the delivery of products to customers by 50% by fiscal 2025 (compared to fiscal 2018).

The food loss and waste per production volume unit in fiscal 2020 increased by 11% compared with fiscal 2018, well below the target. Main reasons for this were disposal losses in frozen food businesses from the launch of new products, and from starting up new lines. While these losses from production process are unavoidable to some extent, we will work to minimize future losses and effectively utilize any that occur by turning them into feed or fertilizer. Furthermore, given that the final products and raw materials have a high water content, frozen foods tend to be counted as having high disposal weights.

Performance

GRI307-DMA

Reduction of Food Loss and Waste

GRI306-3

Food loss and waste reduction rate per production volume unit

	FY2020 Target	FY2020 Result	FY2021 Target	FY2025 Target
Food loss and waste reduction rate from the acceptance of raw materials to delivery to customers (vs. Fiscal 2018)	20% decrease	11% increase	27% decrease	50% decrease

Volumes of food loss and waste

		FY2018	FY2019	FY2020
Production volume (1,000 t)		2,577 ^[1]	2,535 ^[1]	2,423
Food Loss and Waste	Total volume (t)	14,475	14,708	15,138
	Per production volume unit (per ton of product) (kg/t)	5.62	5.80	6.25
	vs. Fiscal 2018 (%)	—	103% ^[2]	111%

[1] We used data different from production volume set forth in P77 and P110 for convenience of aggregation.

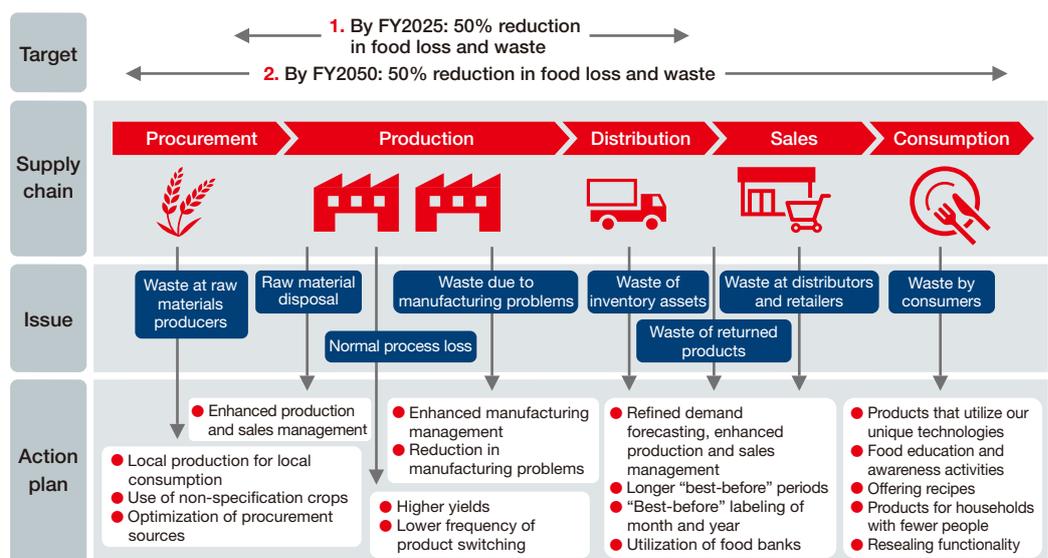
[2] Corrections have been made as a result of a review of totals.

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Food loss and waste reductions in the supply chain

The Ajinomoto Group has been promoting a range of measures to reduce issues with food loss and waste in each process of the supply chain, from raw material procurement through to consumption by customers. The problem in production is raw material losses. Therefore, we are promoting measures such as enhanced production and sales management, reducing manufacturing problems, improving yields, and reducing the frequency of product switching. Issues in logistics and sales include disposal of inventory and returned products, and disposal at distributors and retailers. Our efforts include improved demand forecasting, enhanced sales management, longer “best-before” periods, “best-before” labeling of month and year, and utilizing food banks. To respond to the issue of waste by consumers, we are offering products that utilize our unique technologies and providing recipes with less food loss and waste.

Measures to achieve food loss and waste reductions in the supply chain



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Unique technology to address food loss and waste

Food loss and waste from the food service industry and retail stores are now a major concern as dining out and home meal replacement (food purchased for home consumption) become more commonplace. Using enzyme technology and proprietary formulas, Ajinomoto Co., Inc. offers the food service and home meal replacement industries in Japan a number of products to help reduce food loss and waste at our customers. These products include *Okome Fukkura Choriryo* (retains the texture of freshly cooked rice for an extend period of time), *Kara-Age/Oniku Juicy Choriryo* (retains the flavor of deepfried chicken and other meat dishes even after cooling), *Koku no Chikara*® (retains the flavor of meat dishes, even after an extended period of time), and *Knorr® Beef Kaoritatsu Demiglace Sauce* (use in only the amount necessary; adjust to desired flavor intensity and thickness).



Okome Fukkura Choriryo



Kara-Age/Oniku Juicy Choriryo



Koku no Chikara®



Knorr® Beef Kaoritatsu Demiglace Sauce

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Green living together with consumers

In Japan, food loss and waste from households amounts to 2.76 million tons annually, representing half of all food loss and waste in the country (Ministry of Agriculture, Forestry and Fisheries estimate for fiscal 2018). The Ajinomoto Group strives to reduce household food loss and waste by encouraging eco-friendly eating in daily dining and food preparation. Eco-friendly eating consists of choosing environmentally friendly products and enjoying food without wasting ingredients.

■ Providing recipes

Since 2009, we have promoted *Eco-Uma Recipes*® (eco-friendly and delicious recipes) through websites and events, encouraging consumers to create delicious everyday meals without waste. In addition, the community site *Food Fun! Discovery Community* launched in 2019 features a user-generated topic calling for recipes for reducing food loss and waste, and this has featured lots of input from users. In February 2021, the online food information site **AJINOMOTO PARK** held an online cooking event called “Transform overlooked ingredients — Salvage Cooking!” This event invited popular chefs who introduced ways to use leftover vegetables, meat, fish, and seasonings.

■ Eco-mark labels

To help consumers quickly recognize and select eco-friendly products whenever possible, we put unique eco marks (*Aji-na Eco*, *Hotto-suru Eco*, *Aji-pen*® *ECO* marks) on our product packages.

> *Eco-Uma Recipes*® (Japanese only)

> *Food Fun! Discovery Community* (Japanese only)

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Cooking event